

ORIGINAL



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MEMORANDUM

305M

TO: Docket Control

FROM: Ernest G. Johnson  
*for* Director  
Utilities Division

DATE: June 22, 2007

RE: PROCEDURAL ORDER ITEMS – ALTERNATIVE WAYS TO PROVIDE  
POTABLE WATER TO CUSTOMERS AND FILING OF THE INTERIM  
OPERATOR AGREEMENT. DOCKET NO. W-20461A-07-0158.

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AZ CORP COMMISSION  
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On March 19, 2007, Golden Corridor Water ("Company" or "Golden") filed a Notice of Filing Emergency Surcharge with the Arizona Corporation Commission ("Commission")

On May 15, 2007, a Procedural Conference was held in this matter.

On May 16, 2007, by Procedural Order, the hearing in this matter was scheduled to commence on June 11, 2007, and other procedural deadlines were established.

On May 18, 2007, the Company filed Notice to withdraw its application for an emergency surcharge based on Staff's notice that an interim operator agreement had been reached with Arizona Water Company ("AWC").

On May 25, 2007, Staff filed its Staff Report recommending approval of the emergency surcharge.

On May 31, 2007, by Procedural Order, Staff was directed to respond to the Company's notice of withdrawal of its application for an emergency surcharge and to make recommendations regarding the procedural posture of this issue.

On June 4, 2007, AWC filed a motion to intervene in this proceeding.

On June 6, 2007, Staff filed its response to the Company's notice of withdrawal of its applications for an emergency surcharge. Staff stated that although it has reached an agreement with AWC to act as interim operator for the Golden system, AWC would need approximately two months to interconnect with the Golden system. During that time substitute potable water would still need to be provided to customers of the system. Therefore, Staff recommended denial of the Company's request to withdraw its application for an emergency surcharge and that AWC's Motion to Intervene be granted.

Arizona Corporation Commission  
**DOCKETED**

JUN 22 2007

DOCKETED BY	<i>SW</i>
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On June 7, 2007, by Procedural Order, the Company's request to withdraw its application was denied and AWC's motion to intervene was granted.

On June 11, 2007, a full public hearing convened as scheduled and evidence was submitted and testimony was taken. However, the hearing was continued because the Company failed to publish notice of the hearing date.

By procedural order dated June 11, 2007, the hearing in this matter is continued to June 25, 2007, or as soon thereafter as is practical at the Commission's Offices. Staff and AWC were directed to engage in discussions relating to alternative ways to get potable water to the customers of the Company, and Staff was also directed to file on or before June 22, 2007, a memorandum discussing any viable alternatives and file a copy of the interim operator agreement and any associated exhibits on or before June 20, 2007.

In response AWC sent an e-mail to Staff stating that since May 24, 2007, only 10 different Golden customers have come in to get water at the Desert Water and Ice Store. Desert Water and Ice is the closest water and ice store to the Company's customers. AWC checked for other stores, but could not find any. Staff therefore, recommends the continued use of the current vendor for bottled water. The Interim Manager will make arrangements to accommodate those customers who notify the utility that they are physically unable to obtain the water from the Desert Water and Ice Store.

The interim operator executed agreement between Staff and AWS was filed by Staff on June 12, 2007, with Docket Control.

EGJ:CRM:tdp

Originator: Charles Myhlhousen

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Docket No. W-20461A-07-0158

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